

HOUSE No. 2815

By Mrs. Parente of Milford, petition of Marie J. Parente for an investigation by a special commission (including members of the General Court) relative to the effects of privatization on the delivery of human services. Children and Families.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

RESOLVE PROVIDING FOR AN INVESTIGATION AND STUDY BY A SPECIAL COMMISSION RELATIVE TO THE EFFECT OF PRIVATIZATION ON THE DELIVERY OF HUMAN SERVICES.

1 *Resolved*, That, *Whereas*, The delivery of Health, Social and
2 Human Services has become a multi-billion dollar industry.

3 *Whereas*, The goal of policy initiatives like privatization is to
4 cut government expenditures while maintaining a standard of
5 quality in its services.

6 *Whereas*, The recommendations of then Governor William
7 Weld's "Special Commission on Consolidation of Health and
8 Human Services Institutional Facilities" have been implemented.

9 *Whereas*, The governmental policy of "entrepreneurial govern-
10 ment and the privatization of state services" was initially imple-
11 mented in the early 1990s and a decade of privatization policy has
12 passed and before all human service programs are privatized, it
13 makes good management sense to evaluate the outcome of this
14 public policy.

15 *Whereas*, Developmental disabilities providers are forced to
16 hire unskilled, undereducated and inexperienced workers who
17 often lack the basic skills necessary to assist others in developing
18 their own like skills and may jeopardize the safety of those in
19 their care. The inferior and inequitable compensation of direct
20 care workers has resulted in a serious degradation of program
21 quality and stability and failure to implement meaningful short-
22 and long-term solutions will leave our community care system for
23 people with developmental disabilities unable to provide an

24 acceptable quality of service and will put their safety at risk. In
25 addition, the availability of provider agencies to offer the conti-
26 nuity and consistency of support, which is essential to persons
27 with mental retardation, is thereby seriously comprised. Ulti-
28 mately, high vacancy rates and continual staff turnover result in
29 inconsistent care and may compromise the safety of those in care.

30 *Whereas*, Critical reviews of the service system for individuals
31 with mental retardation across the United States have been con-
32 ducted in various states and in Washington D.C. all with devas-
33 tating results — abuse, neglect and undocumented deaths. This
34 commission is necessary to identify issues that need to be
35 addressed to hold the system accountable and to demonstrate that
36 a continued policy of privatization is justified on the basis of
37 access, quality and cost.

38 There is hereby created a 15-member special commission to
39 investigate and study the Commonwealth's privatization policy
40 and purchase-of-service system for its social and human service
41 programs. Said commission shall consist of the following mem-
42 bership:

- 43 - State Auditor or his designee;
- 44 - Secretary of the Executive Office of Health and Human Serv-
45 ices or his designee;
- 46 - Secretary of the Executive office of Administration and
47 Finance or his designee;
- 48 - Two members of the House of Representatives chosen by the
49 Speaker of the House for their expertise and knowledge regarding
50 human services in general and privatization policy specifically;
- 51 - One member of the Senate chosen by the Senate President for
52 their expertise and knowledge regarding human services in
53 general and privatization policy specifically;
- 54 - The Purchasing Agent for the Department of Procurement and
55 General Services or his designee;
- 56 - A representative from the Massachusetts Coalition of Families
57 and Advocates for the Retarded, Inc. to be appointed by COFAR;
- 58 - A representative from Arc Massachusetts, Inc. to be appointed
59 by Arc Massachusetts;
- 60 - A representative from the Massachusetts Alliance for the
61 Mentally Ill to be appointed by the Alliance;

62 - A representative from the Massachusetts Council of Human
63 Service Providers, Inc. to be appointed by MCHSP;
64 - A representative of the statewide labor union representing
65 direct care workers;
66 - Three citizens representing consumers and/or family members
67 of individuals served by the Department of Social Services, the
68 Department of Youth Services and the Department of Corrections.
69 The commission in the course of its investigation and study
70 shall review and analyze the administrative and accounting con-
71 trols currently used by the purchase-of-service system and the fea-
72 sibility, practicality, and cost-effectiveness of making adjustments
73 to said system. Said investigation shall include but not be limited
74 to the following areas:
75 - Related party transactions including but not limited to subcon-
76 tracting or consultant contracting with parent organizations;
77 - Compensation levels for direct care workers and agency
78 administrators;
79 - Program budget negotiations and monitoring including but not
80 limited to clearly defining appropriate use of state funds;
81 - Requirements for employee conduct including but not limited
82 to the implications of provider employees being subject to MGL,
83 chapter 268A;
84 - Provider fraud including but not limited to grounds for
85 breaking or not renewing a contract;
86 - Cost-comparative analysis comparing centralized and decen-
87 tralized models of human service delivery;
88 - Said committee will investigate the areas recommended for
89 study by The Beacon Hill Institute Suffolk University Study of
90 1992 as outlined in their conclusions and recommendations;
91 - Cost to the Commonwealth for crisis care related to health
92 and safety and development of potentially more responsive and
93 cost effective approaches.
94 - Assessment of capital costs under the Home and Community
95 Based Services Waiver and potential resultant cost shifting.
96 - Assessment of the leasing arrangements, such as double net
97 leases, between the Commonwealth and vendors for residential
98 programs.
99 - Said committee will investigate the effect of privatization of
100 state services on the delivery of human services in the Depart-

101 ments of Mental Health, Mental Retardation, Social services,
102 Youth Services and Corrections, including but not limited to the
103 advisability of selling or using for other purposes state land
104 and facilities currently used to serve clients in said departments.
105 Support for the special commission will be provided through the
106 State Auditor's Office. One full-time equivalent position, to be
107 named Director for the Commission on Privatization, will be
108 established for the purposes of the commission at a salary and
109 benefit rate equal to that of the Director of the House Post Audit
110 and Oversight Bureau. The Director will be hired by and report to
111 the special commission and his/her duties will be dedicated solely
112 to the work of the special commission.

113 Said commission shall report to the General Court the results of
114 its investigation and study, and its recommendations together with
115 drafts of legislation necessary to carry such recommendations into
116 effect, by filing the same with the clerks of the Senate and House
117 of Representatives within two years of the date the commission
118 holds its first meeting.